

May 16, 2001

VIA HAND DELIVERY

Mary L. Cottrell, Secretary
Department of Telecommunications and Energy
One South Station
Boston, Massachusetts 02110

Re: *Western Massachusetts Electric Company*, D.T.E. 00-40
Issuance Advise Letter

Dear Secretary Cottrell:

Western Massachusetts Electric Company's ("WMECO") hereby files with the Department of Telecommunications and Energy ("Department") nine copies of its Issuance Advice Letter ("IAL") in the above-referenced proceeding. The Department's February 7, 2001 Order in D.T.E. 00-40 required WMECO to file an IAL with the Department, for informational purposes, prior to the issuance of the Rate Reduction Bonds (see Appendix 1, p. 50). The purpose of the IAL, among other things, is to provide the transaction costs of issuance, the initial RTC Charge, and a calculation confirming net savings to ratepayers. WMECO's IAL follows the format set out in Appendix A to Appendix 1 of the Department's Order.

As described in the IAL, WMECO will issue \$155 million of Rate Reduction Bonds on May 17, 2001. The transaction costs of issuance are shown in Attachment 1 of the IAL and the initial RTC is 0.5233 cents/kwh. As shown in Attachment 4 of the IAL, net savings to ratepayers are \$34.1 million.

Four pages of Attachment 4 of the IAL (Exhibit RAS-2, pp. 4C, 11, 11A and 13) are confidential and commercially sensitive information relating to independent power producer buyout and buydowns. One copy of those four pages is being provided in a separate envelope as a protected document to Jeanne Voveris, Hearing Officer. One

